

**LAKE MINNETONKA CONSERVATION DISTRICT  
BOARD OF DIRECTORS**

5:30 P.M., Wednesday, May 13, 2015  
Wayzata City Hall

**CALL TO ORDER**

Baasen called the meeting to order at 5:30 p.m.

**ROLL CALL**

**Members present:** Dan Baasen, Wayzata; Jay Green, Mound; Gary Hughes, Spring Park; Gregg Thomas, Tonka Bay; David Gross, Deephaven (to be sworn in); Ann Hoelscher, Victoria; Gabriel Jabbour, Orono; Dennis Klohs, Minnetonka Beach; Dave Lang, Minnetrista; Fred Meyer, Woodland; Jeff Morris, Excelsior; Rob Roy, Greenwood; Sue Shuff, Minnetonka; Deborah Zorn, Shorewood. Also present: Greg Nybeck, Executive Director; Judd Harper, Administrative Technician.

**Members absent:** None

Baasen stated that this meeting has been scheduled to discuss the draft 2016 LMCD Budget (in follow-up to the April 22<sup>nd</sup> Special LMCD Board Meeting). He asked Nybeck to provide an overview of the new materials provided to the Board.

Nybeck summarized his staff memo, dated 5/7/15, and made the following comments:

- Three options were offered by staff and discussed by the Board on April 22<sup>nd</sup>, in which he provided an overview of each option. At that meeting, no action was taken on forwarding a draft 2016 LMCD Budget to the member cities. A summary of the Board discussion was as follows:
  1. The \$35,000 proposed for the Equipment Replacement Fund (depreciation) and whether this was the proper level. The consensus of the Board was to take this up further after staff completes its work on a Capital Plan.
  2. The consensus was that the LMCD should continue to take a leadership role on partially funding and managing watercraft inspections on Lake Minnetonka (at selected public accesses).
  3. The general consensus was that funding for added Water Patrol presence in 2016 should be considered with Save the Lake Funds (similar to 2015).
  4. Possible programs or activities where reductions could be considered such as Eurasian Watermilfoil (EWM) Harvesting and Shoreline Inventory Programs (no Board consensus).
- He directed the Board to an Option 4 draft budget for their discussion and consideration. He offered the following overview:
  1. Similar to the activities planned in the adopted 2015 LMCD Budget.
  2. A 5.3% decrease in the overall levy to the LMCD member cities (reduction of \$18,125).
  3. \$35,000 for the Equipment Replacement Fund in 2016 (consistent with 2015).
  4. He provided an overview of a draft LMCD Capital Plan prepared by staff, which covered replacement of the LMCD's EWM Harvesting Program equipment. This plan suggests \$63,500 is needed annually; however, the level of funding is at the discretion of the LMCD Board.
  5. \$85,500 for the 2016 EWM Harvesting Program (a 10% reduction from \$95,000 from 2015). A

\$30,000 grant from the Minnesota Department of Natural Resources (MN DNR) is budgeted for in 2016.

6. \$40,000 has been proposed for unspecified aquatic invasive species (AIS) prevention programs in 2016 (most likely watercraft inspectors). Two grants for this program are budgeted for in 2016 (\$20,000 from the Minnehaha Creek Watershed District and \$4,000 from the MN DNR).
- Preliminary approval of this option, or an amended option, needs to be finalized at this meeting. This would allow staff to submit a draft 2016 LMCD Budget (with cover letter) to the member cities in the next couple of days.
  - He entertained questions or comments from the Board.

A summary of the Board discussion was as follows:

- EWM Harvesting Program:
  1. Whether there is a need for the proposed 10% reduction of the overall budget for 2016.
  2. A question was raised as to whether additional harvesting should be considered rather than less (potential additional times where harvesting could be considered based on EWM growth).
  3. A discussion of possible changes to the program in 2016 utilizing 2015 as a season to experiment with potential changes (i.e., operating two harvesters rather than three harvesters).
  4. Harper provided background of past harvesting programs (including priorities and how some of the decisions are made).
  5. A discussion of whole bay and large scale herbicide treatments managed by the Lake Minnetonka Association (LMA). It was communicated that the treatments planned by the LMA appear to be reduced (primarily because of fundraising challenges).
  6. A question was raised whether the harvester was working in between docks, rather than keeping the Lake navigable. Harper asked that if anyone saw or had knowledge of the harvester being where it was not supposed to be to notify him directly.
- Equipment Replacement Fund:
  1. There was mixed feedback from the Board on the first draft of the Capital Plan.
  2. Board members that expressed concern about the draft plan had questions about the useful life used to compute the needed reserves and replacement costs detailed.
  3. The Board discussed whether the proposed transfer of \$35,000 from the Administration and AIS Reserve Funds to the Equipment Replacement Fund could be reduced. It was suggested that a reduction in the proposed amount could be used to offset the overall levy to member cities (there was no consensus of this).
  4. Target reserve fund levels for Administration and AIS (30% to 50% of annual expenses) and whether these are the appropriate levels. It was noted that Option 4 projects a balance of 47.8% for the Administration Reserve Fund and 47.5% for the AIS Reserve Fund (as of 12-31-16).

**MOTION:** Baasen moved, Jabbour seconded to reduce the amount of funds included in the draft 2016 LMCD Budget for the Equipment Replacement Fund from \$35,000 to \$17,500.

**VOTE:** Ayes (11), Nays (2; Hughes and Shuff), Abstained (1, Gross); motion carried.

**MOTION:** Roy moved, Thomas seconded to not include \$35,000 in the draft 2016 LMCD Budget for added Water Patrol presence on Lake Minnetonka.

**VOTE:** Ayes (13), Abstained (1, Gross); motion carried.

**MOTION:** Baasen moved, Lang seconded to provide preliminary approval of Option 4, with the reduction of Equipment Replacement Funds to \$17,500 and direct Nybeck to forward it to the member cities (with cover letter).

Jabbour proposed a friendly amendment to reduce the overall proposed levy to the LMCD member cities by \$17,500. Baasen and Lang did not agree to this.

**VOTE:** Ayes (6; Baasen, Hoelscher, Lang, Meyer, Shuff, and Thomas), Nays (7), Abstained (1, Gross); motion failed.

**MOTION:** Jabbour moved, Green seconded to provide preliminary approval of Option 4, subject to: 1) the reduction of Equipment Replacement Funds to \$17,500, 2) the reduction of the overall levy by \$17,500 due to the reduction of Equipment Replacement Funds, and 3) direct Nybeck to forward it to the member cities (with cover letter).

**VOTE:** Ayes (9), Nays (4; Baasen, Hughes, Shuff, and Thomas), Abstained (1, Gross); motion carried.

#### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 6:45 p.m.

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Dan Baasen, Chair

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Gregg Thomas, Secretary